IN THE HIGH COURT OF JUDICATURE AT BOMBAY

O.O.C.J.

NOTICE OF MOTION NO.3640 OF 2006

AND

NOTICE OF MOTION NO.4044 OF 2006

IN

SUIT NO.2996 OF 2006

...

Balkrishna Hatcheries ...Plaintiffs

v/s.

Nandos International Ltd.
and anr. ...Defendants

...

Dr.Virendra Tulzapurkar with Mr.Virag Tulzapurkar,
Mr.S.V.Doijode, Ms.Meenakshi Iyyer i/b Doijode &

Associates for Plaintiff.

Mr.Iqbal Chagla with Mr.D.J.Khambhata, Ms.Nandini Khitan and Mr.Chakrapani Mishra i/b Khaitan & Co. for the Defendant No.1.

Mr.Ravi Kadam, Advocate General with Mr.Rahul Chitnis i/b Khaitan & Co. for Defendant No.2.

...

CORAM: D.K.DESHMUKH, J.

DATED: 4TH JUNE, 2007

ORDER:

1. This Notice of Motion is taken out by the Plaintiffs. The Plaintiffs have filed the present suit for infringement on the basis of their registered trade-mark, of which, according to the plaintiffs, word "Nandu's" is an essential feature. The said mark "Nandu's" is registered in respect of processed and frozen meat products and the said registration is valid and subsisting.

2. The Plaintiffs' contention is that the Defendants

are using impugned mark "Nando’s" in respect of similar goods and/or similar services as that of the Plaintiffs. The Plaintiffs in the suit pray for a permanent injunction restraining the Defendants from in any manner using in relation to any eatable goods or restaurant or hotelling services or processed and frozen chicken and meat products the impugned trade-mark "Nando’s" or any other deceptively similar trade-mark so as to infringe the Plaintiffs’ registered trade-mark "Nandu". A perpetual injunction on the same terms in relation to passing off is also claimed. By this notice of motion temporary injunction in the similar terms is sought.

3. The Plaintiffs’ Suit is based on the following allegations:

(a) Infringement of the Plaintiffs trade mark, consisting of Nandu’s written in a stylized manner and the device of a cockerel, both enclosed in a hat shaped outline. The registration is in Part B and in respect of ’Processed or Frozen Meat products’ falling in Class 29 of Schedule IV to the Trade Marks Rules 2002 ("the first trade mark"). The first trade

mark was registered on 4th July 1989;

(b) A second trade mark was subsequently adopted by the Plaintiff in 2005 consisting of the word Nandu's enclosed within an oval shaped structure in white colour with read outline and a gift tag structure occupying the centre expression 'Heat n Eat' depicted in black colour below the oval structure.

(c) It is alleged that both the first trade mark and the second trade mark have acquired distinctiveness in India and are associated by traders and members of the public exclusively with the Plaintiff. It is alleged that the Defendants mark 'Nando's' is almost identical with and/or deceptively similar to the Plaintiffs registered trade mark (i.e. the first trade mark). That by using the mark 'Nando's' the Defendants are passing off the Defendants goods and/or services as the goods and/or services of the Plaintiff or that they are in some way connected with the Plaintiff.

4. The Plaintiff alleges that:

(i) it carried on poultry business; and

(ii) in course of time, started manufacturing and marketing processed and frozen chicken and meat products such as chicken kebabs, chicken nuggets, fried chicken, boneless chicken, chicken legs and other varieties of chicken products as well as meat pies , meat tenderizers;

(iii) it adopted the first trade mark In respect of the said business.

(iv) it has been extensively widening its product line and services by introduction of other food related products namely curries, biryanis, including vegetarian products in ready to eat form.

(v) The Plaintiffs' products came to be sold at food service outlets such as fast food counters, highway eateries and take away counters.

5. The 1st Defendant claims to be a major international chain running fast food outlets and the restaurant business, it serves Afro Portuguese cuisine (vegetarian and non-vegetarian and using the peri-peri chilly) and sells sauces under the

trade mark Nando’s. The 1st Defendant has stated to this Hon’ble Court that in future in India it will not sell its sauces other than at restaurants.

6. Admittedly,(i) the Plaintiffs have not been and are not engaged in the business of restaurants, cafes, snack bars and/or other heat and eat outlets for sale of food items, beverages and food related products at all, much less under the trade mark ’Nandu’. The Plaint merely states that the Plaintiffs "plan to open" such restaurants etc.

(ii) the second trade mark is not registered and was adopted by the Plaintiff only in or about the year 2005.

7. The Plaintiffs have filed an affidavit in support of the motion. A detailed reply has been filed by the Defendants. The parties have also produced documents in support of their respective cases.

8. I have heard the learned Counsel appearing for both sides in detail, they have taken me through all

the pleadings and documents. They also relied on several authorities in support of their respective contentions. For the purpose of deciding this Notice of Motion, in my opinion, it can be assumed that the first Defendant's mark "Nando's" is similar to the Plaintiffs' mark "Nandu's". The Plaintiffs' entire case on infringement is necessarily based on its one registered trade-mark i.e. the first trade-mark which is registered in Class 29 for "Processed or Frozen Meat Products." Hence as regards infringement any other business of the Plaintiffs including business in other non-meat food products and in ready to eat form is not relevant. So far as the aspect of infringement is concerned, the learned Counsel appearing for the Plaintiffs made three submissions based on the provisions of Section 29(1), 29(2)(b) and 29(4) of the Trade Mark Act, 1999 (hereinafter referred to as the said Act.)

9. Perusal of Section 29(1) of the said Act shows that it is equivalent to Section 29(1) of the 1958 Act. (i) It enables an action for infringement of a registered mark when a mark which is identical or deceptively similar thereto is used "in relation to goods or services in respect of which the trade mark

is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark."

(ii) Thus the Plaintiff will have to establish under Section 29(1) that identical or deceptively similar mark is being used by the Defendants in relation to the same goods or services i.e. processed or frozen meat products.

(iii) It is an admitted position that the Defendants do not sell processed or frozen meat products at all, much less from their Restaurant. Even the Plaint does not allege this. The 1st Defendant in its Affidavit in Reply dated 1st March, 2007 has made it clear that the Defendants do not sell processed or frozen meat products.

(iv) Hence no case of infringement under Section 29 (1) has been made out by the Plaintiff.

10. Section 29(2) of the Trade Marks Act, 1999 reads as follows: "(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use,

uses in the course of trade, a mark which because of- (a)its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or (b)its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or (c)its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark."

11. Under Section 29 (2) (b), the Plaintiff would have to establish:

(a) That the 1st Defendant’s mark "Nando’s" is similar to the Plaintiff’s mark "Nandu’s".

(b) That the 1st Defendant’s service of running restaurants/food outlets and the 1st Defendant’s goods viz sauces/condiments that are sold, are similar to the goods sold by the Plaintiff under its registered trade mark for Processed or Frozen Meat

Products.

(c) That such similarity is likely to cause the public to confuse or associate the Defendant's mark with that of the Plaintiffs.

12. In the context of provisions of the said Act, the similarity or association that is referred to in Section 29 can only be a similarity between goods and goods or a similarity between services and services and cannot be similarity between goods on the one hand and services on the other. This is for the following reasons : -

(i) Under The Trade Marks Act 1958 (the 1958 Act or the Old Act) a trade mark could not be registered in respect of services. Any infringement by use of the registered trade mark or a mark deceptively similar to the registered trade mark had to be in relation to any goods in respect of which the trade mark was registered and in such manner as to render use of the mark likely to be taken as being used as a trade mark. Section 29(1) of the 1958 Act corresponds to Section 29(1) of the said Act save and except for the inclusion of the word "services" under section 29(1)

of the said Act. The term "goods" was defined under Section 2(1)(g) of the 1958 Act as meaning any thing which is the subject of trade or manufacturing i.e. clearly excluding services. The 4th Schedule to the Trade Marks Rules 1959 (the old rules or the 1959 Rules) classifies only goods under 34 different classes. These classes corresponded to Entries 1 to 34 of the 4th Schedule to the Trade Marks Rules 2002 (the 2002 rules or the new rules). Hence under the 1958 Act there was no question of any infringement in respect of services.

(ii) As stated in the Objects and Reasons to the Trade Marks Act 1999 certain far reaching changes were made to the existing law governing trade marks. One of the major changes was the incorporation of the provision for registration of trade marks for services, in addition to their registration for goods.

(iii) The scheme and provisions of the Said Act clearly disclose the dichotomy between goods on the one hand and services on the other. Section 2 (i) (j) defines goods in identical terms to the 1958 Act i.e. as meaning anything which is the subject of

trade or manufacture. However Section 2(1)(z) added a definition of the term "services" as follows:

(z) "service" means service of any description which is made available to potential users and includes the provision of services in connection with business of any industrial or commercial matters such as banking, communication, education, financing, insurance, chit funds, real estate, transport, storage, material treatment, processing, supply of electrical or other energy, boarding, lodging, entertainment, amusement, construction, repair, conveying of news or information and advertising.

(iv) Furthermore Section 2(2) provides that, in this Act unless the context otherwise requires any reference

(a) ......;

(b)......|;

(c) to the use of a mark,-

(i) in relation to goods, shall be construed as a

reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods;Â

(ii) in relation to services, shall be construed as a reference to the use of the mark as or as part of any statement about the availability, provision or performance of such services;

The aforesaid provision indicates that the use of the mark in relation to goods is distinct from the use of the mark in relation to services.

(iii) Section 28(1) of the said Act reads as below :

"Rights conferred by registration - (1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act."

Section 28(1) confer upon the registered proprietor a statutory monopoly to use the trade mark in relation to the goods or services in respect of which the trade mark is registered. This would mean that a trade mark registered for goods or for any particular goods will confer upon the proprietor a monopoly only in respect of that class or if the registration is narrow only in respect of the goods for which the registration is given within a particular class. Similarly, the monopoly over the mark qua services would be restricted to only those services mentioned in the registration certificate. In the present case, as the Plaintiffs registration certificate discloses that the first trade mark is only in respect of "processed and frozen meat products" falling in Class 29 of Schedule IV to the 2002 Rules. The mark confers upon the Plaintiff the exclusive right to use the trade mark in respect of processed or frozen meat product and qua no other goods.

(iv) Section 29 (2) must necessarily be interpreted with this in mind otherwise by the method of action for infringement under Section 29(2), the proprietor would be able to expand its statutory monopoly to a different class of goods or even to services.

(v) The distinction between goods and services is also made clear by the provisions of the 2002 Rules. Under Rule 22(1) of the 2002 rules, goods and services are to be classified in the manner specified in Fourth Schedule. The Fourth Schedule contains various classes of goods similar to the Fourth Schedule to the 1959 Rules (Classes 1-34). Thereafter under a separate heading "SERVICES" follow Classes 35 to 42. Classes 35 to 42 are exclusively services making it clear that Class 1 to 34 are exclusively goods. Significantly clause 42 also includes "Providing of food and drink" which would mean food items listed in class 29 to 34 do not include any services in respect of food items and drinks. Secondly Class 42 also contains a residuary class i.e. "services that cannot be classified in other classes". This residuary class applies only to services and does not extend to goods. This would mean that only goods which fall within the expressly specified classes in Class 1 to 34 are classifiable. Goods that are otherwise related to services but are not mentioned in Class 1 to 35 do not receive protection under the said Act. This also shows that goods and services are treated separately.

(vi) The most significant guide is to be found in Section 2(3) of the said Act which is reproduced below :

"2(3) For the purposes of this Act, goods and services are associated with each other if it is likely that those goods might be sold or otherwise traded in and those services might be provided by the same business and so with descriptions of goods and descriptions of services."

Associated Trade Marks are defined under Section 2(1)(c) :

"2(1)(c) "Associated trade marks" means trade marks deemed to be, or required to be, registered as associated trade marks under this Act."

13. Under Section 16 of the said Act, a trade mark can be registered or is deemed to be registered as an associated trade mark if it satisfies the conditions set out therein which include the requirements that both the marks must be in the name of the same

proprietor and in respect of goods and services which are associated with those goods. Under section 44 of the said Act, the associated trade marks are assignable and transmissible only as a whole and not separately. From the aforesaid provisions it s clear that for goods and services to be associated with each other and to be registered or to be deemed to be registered the following requirements are essential:-

(a)The goods which must be sold or traded in and the services to be provided must be by the same business.

(b)That the trade mark in respect of the associated goods and services must be registered in the name of the same proprietor.

(c)The use of the trade mark in respect of the same goods or description of goods or the same services or description of services is identical to that which is registered in the name of the same proprietor; and

(d)the marks are either identical or there is such a close resemblance as is likely to deceive or cause confusion if used by a person other than the proprietor.

(ii) Section 2 (3) represents the only point of convergence between goods and services in the Said Act. It represents the legislative intent that goods and services can be said to be associated only if the aforesaid provisions are satisfied.

(iii) In a American decision Lloyds Food Product Inc. v. Eli’s Inc 987 F 2d 766 the United States Court of Appeal Federal Circuit decided an infringement action brought by Lloyds Food Products (the registered Proprietor of the mark "Lloyds" for food products) against Eli’s Inc from using the mark "Lloyds" for restaurant services. The Court of Appeal Federal Circuit held as follows : -

The marks at issue in the cases relied upon by the board were used in conjunction with the sale of goods not with the provisions of services. A service mark is different from a mark for goods, especially, in the manner it is used in commerce. The legally significant use giving rise to rights in a mark for goods is derived from the placing of the mark in some manner on the goods either directly or on their containers or packing 15 U.S.C. 1127 (1988) A

service mark on the other hand, entails use in conjunction with the offering and providing of a service. This makes all the more important the use of the mark in Sales or advertising materials of different descriptions.

(iv)The position under the new Trade Mark Act 1994 in England is somewhat different. The 1994 English Act also gives protection to trade mark in respect of services. However, the concept of an associated mark i.e. association between marks concerning goods and services has been deleted and no longer finds place in the English Trade Marks Act, 1994. The concept of associated marks was a part of the previous Act viz. The Trade Mark Act 1938. Secondly Section 9(1) of the Trade Marks Act 1994 which corresponds to Section 28 (1) of the said Act does not describe goods and services separately as does our Section 28(1).

(v) Hence no question can arise under Section 29(2) of the said Act of even undertaking the exercise of comparing the Plaintiff’s goods in respect of which it has registration i.e. processed and frozen meat products with 1st Defendant’s service of the restaurant business.

14. Assuming that goods may be considered similar to services the guiding principles and factors that are relevant in considering whether there is similarity between goods/services are as follows:

(i)The English Trade Marks Act, 1938 contained a phrase "goods of the same description" which was relevant in deciding application for registration. There is a line of authorities that explain this phrase.

(ii)In the matter of Application by Ladislas Jellinek (1946) 63 RPC 59, Mr. Justice Romer enunciated three tests that should be employed to determine this question. The case was one of the use of the mark "Panda" on shoes and on shoe polish. Mr. Justice Romer thought that three considerations were relevant:-

a) The nature and composition of the goods;

b) The respective use of the goods;

c) The trade channels through which the respective

goods are bought and sold.

Upon taking evidence and applying these Tests Mr. Justice Romer held that shoes and shoe polish, were not goods of the same description.

(iii)In J Lyons & Loy Application (1959) RPC 120, the Court of Appeal was considering the trade mark "Hostess" in its use upon jellies and Ice cream. In this connection Lord Justice Evershed held as follows:-

".....But however, that may be and in cases of this kind I venture to doubt whether the question of onus should be given quite the same strict significance as in a pleading in a Common Law action" the problem, upon all the evidence before us, may now be shortly stated thus: Are jellies, or jelly tablets, goods of the same description as ice cream? If they are then the question at once claims an answer. What is the description? What form of but without also comprehending categories of other goods which might fairly in common sense be said not to be of the same description as either?

The answer to the question propounded by Mr. Levy was, "sweets", using that word as signifying the sweet course in a menu, dessert in French, rather than sweetmeats that is, chocolates and the like what, according to Mr. Levy, is known as in popular modern jargon as afters. My difficulty about this simple solution lies in the fact that it would apparently comprehend an extremely wide variety of foodstuffs, ranging from fruit salad to a steamed suet pudding; and I am not satisfied, or my part, that, whatever may be said of jellies a suet pudding could, by any sensible standard (other than its use as a sweet course) be regarded as goods of the same description as ice cream. A solution may, however, be provided by limiting the class of sweets somewhat thus a light sweet course or refreshment also commonly provided at buffets, garden parties, and similar festivities .....
.....
To all these cases the oft-quoted proposition that each was decided on its own particular facts is, to my mind, peculiarly applicable. In all cases of this kind regard will be had to such matters as the nature and composition of the goods, to their respective

uses and functions, and to the trade channels through which respectively they are marketed or sold; and in different cases (as Mr. Levy observed) one (but not always the same one) of these characteristics may have greater significance or emphasis than the others. The matter falls to be judged, as Lindley, L.J. observed in the case already quoted, in a business sense; and this is to my mind made clear which the problem has to be judged. By the Trade Marks legislation Parliament has provided that a registered proprietor of a mark, to be used by him in the course of his trade, has a monopoly right to that mark as an indication of by considering the legislative background against he trade source or origin of the goods, and the restriction contemplated by sec. 26 is an incident of the general legislative purpose. The question whether the goods are or not goods of the same description must therefore (I think) be one to be answered in the context of that purpose; and having regard to that context, the cases cited, and particularly McDowell’s case and the Australian Wine case, lend some support to the view that the phrase "goods of the same description" ought not to be given too restrictive a construction not, at all events, so as to be limited to goods

substantially analogous in kind, or commonly used as mere substitutes or alternatives the one for the other.

Lord Justice Romer (at page 133) applied the three tests laid down by him in Jellinek to hold that Jellies and Ice Cream were goods of the same description.

Lord Justice Ormerod (at page 135-136) held as follows :-

Mr. Aldous submitted that the goods could not be regarded as of the same nature. They were made from different ingredients and by different processes of manufacture. So far as user was concerned he did, I think, agree that they might and frequently were used for the same purpose, that is for the "sweet" or "desert" course of a dinner, but said that the variety of foodstuffs that could be so used was so wide that such a user could not be regarded as conclusive. Equally with regard to the use of the same trade channels for marketing the goods it was conceded that although jelly tablets would generally be found in a grocer’s shop and ice cream would more

commonly be sold by a confectioner, yet from time to time both would be sold by a grocer or a confectioner. But again so many other foodstuffs are sold by grocers and confectioners that such a description in itself would clearly be much too wide. This case appears to be very much on the border-line. It is not easy to find a description which can be applied both to table jellies and ice cream which would not at the same time apply to other foodstuffs which on common sense or business principles could not be regarded as of the same description. For decision on the matter. But the Assistant Comptroller and the learned Judge both appear to have been of the opinion, without so finding in terms, that the goods are of the same description, and if it were necessary to decide the question now I should myself, I have had some difficulty in coming t a not feel justified in differing from their opinions. Perhaps the answer is to be found in the words of the Judge when he says "Both jellies and ice cream in the prepared for table form are well known as alternative confections for a dessert course to observe a common use". A hostess wishing to have a cold confection for the desert or sweet course might well consider the alternatives of ice cream and table jelly.

(iv)Daiquiri Rum TRADE MARK (1969) R.P.C. 600 (House of Lords). The test laid down in Jellinek & Lyons were applied (at 613 and 615) Lord Wilberforce (at page 620) held as follows :-

"The expression "goods of the same description" is used elsewhere in the Trade Marks Act, 1938, in particular sections 12 and 26, and no reason appears why it should not bear the same meaning throughout. The words are not perhaps self-explanatory. Taken by themselves, they would suggest that it is necessary to search for a description, by species, genus or wider category which would include all the goods in question. Taken in relation to the Act of 1938, they might suggest a grouping by reference to the classification of goods for trade mark purposes contained in the Third or Fourth Schedules to the Trade Marks Rules. But reference to the classification shows at once that this cannot be the basis of "description" for there are many cases where a single class contains goods of different descriptions while goods which one would think were of the same description may be found in different

classes. Nor, on the more general test, is it sufficient to find a single trade description covering each of the goods in question. Thus, in Lyons and Co. Ltd. Application [1959] R.P.C. 120, "sweets" though covering ice-cream and jellies was thought to be too wide a description to be suitable.

Lord Wilberforce accepted the test to be a business and practical test (at page 620 line 23 and 24)

".....test of sameness in description has rightly been taken to be a business and practical test, and would accept the utility for most purposes of the matters stated as relevant by Romer, J. in Jelinek's Application (1946) 63 R.P.C.

(v) The leading case of British Sugar Plc V. James Robertson & Sons Ltd. [1996] R.P.C. 281 (at page 296) identified certain essential factors whilst considering a provision identical to our section 29(2) viz section 10(2) of the Trade Marks Act 1994 in the U.K. He also held that the tests for similarity were the same as used to decide whether goods were of the same description, Justice Jacob held as follows:

" think the sort of considerations the court must have in mind are similar to those arising under the old Act in relation to goods of the same description. I do not say this because I believe there is any intention to take over that conception directly There plainly is hot. But the purpose of the conception in the old Act was to prevent marks from conflicting not only for their respective actual goods in the Directive and Ad is to provide protection and separation for a similar sort of penumbra. Thus think the following factors must be relevant in considering whether there is or is no similarity:

(a)The respective uses of the respective goods or services:

(b)The respective users of the respective goods or services;

(c)The physical nature of the goods or acts of service;

(d)The respective trade channels through which the goods or services reach the market;

(e)In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are. or are likely to be, found on the same or different shelves;

(f)The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

Applying the aforesaid tests Justice Jacob held that the toffee spread being sold by James Robertson and Sons was not similar to the dessert sauces and syrups for which British Sugar had the registered trade mark "Treat"

(vii)In Baywatch Production Co. Inc. V. The Home Video Channel reported in [1997] FSR 22 it has been held (at pages 28-32):

(a)If there is no similarity of goods or services

then the question of whether there is likelihood of confusion because of that similarity does not arise;

(b)It is not sufficient if one mark merely leads to a likelihood of recall of the other mark (relying on Wagamama Ltd. V City Centre Restaurant Pic (1995) FSR 713.

(viii) Kerly's Law of Trade Mark & Trade Names (14th Edition) introduces a further character viz the distinctive character and strength of the earlier trade mark. Relying on the decision of the European Court of justice in Canon V MQM (1999) RPC117, Kerly observes (in Para 9-051).

The Court held (at para 24) that the distinctive character of a trade mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two marks is sufficient to give rise to the likelihood of confusion. In so finding the Court was clearly following the decision in Sabel that the likelihood of confusion must be assessed globally taking into account all relevant matters.

(ix) The Plaintiffs cited Corn Product Refining Company Vs. Shangrila Food Products Ltd. AIR 1960 S C 142. At para 19 the Supreme Court referred to the Jellinek case. At paras 20 and 21 the Supreme Court then referred to the evidence in the form of Affidavits, to hold that it has been established that there was a trade connection between glucose and biscuits and that there was likelihood of confusion or deception arising from such trade connection. In the present case no such trade connection has been pleaded, much less been established, between processed and frozen meat products on the one hand and Restaurant services and sale of foods sauces (in Super markets etc.) on the other hand.

(i) The Plaintiff has relied upon Mc Carthy on Trademarks and Unfair Competition 4th Edition Volume IV at paragraphs 24:25 and certain American decisions to argue that there is a per se similarity or likelihood of confusion between restaurant services and food products.

(a) What is apparent from the decision cited by Plaintiff as also from certain other decisions relied

upon by the 1st Defendant, is that there is no per se rule of such similarity between restaurant services and food products. Each case has to be determine d on its facts.

(b) Moreover, the decisions cited by the Plaintiff [save and except one or two decisions of the Registrar of Trade Marks USA are all cases concerning goods/services being compared to goods/services.

(ii)In Giant Food Inc and Nations Food Service Inc., the applicant for registration (Nations Food Services Inc) was admittedly in the business of food product such as hamburger, sandwiches etc. and restaurant services. The Opposer Giant Food nc. was in also both food products as well as the business of catering Services. These catering services were distinct from the two restaurants initially operated by the Opposer and later closed by it. Giant Food is therefore distinguishable because

(a)This is a case between goods and services of the Applicant on the one hand and goods and service of the Opposer on the other hand. It is not a case of goods v/s services.

(b) Secondly, as set out at page 6 of the report, the American Court relied on other cases that indicated that the services performed by the two parties were not totally unrelated and that super market service of food items were related to catering and restaurant services.

(c)Thirdly, the Court also noted and relied on the strength and fame of the Opposer’s mark and the considerable exposure it enjoyed through the media to hold that the evidence showed that the Opposer’s mark is well known in its area of operation and that consumers associate the marks GIANT and GIANT FOOD with Opposer’s business activities. The Court held that |Oppser’s marks have acquired considerable fame, which weighs in its favour in determining likelihood of confusion.

All the aforesaid factors are absent in the present case :

(a) The present case is one of alleged similarity between the Plaintiff’s goods and the Defendants services;

(b) There is no evidence to show any trade relationship between restaurant services and the sale of processed or frozen meat products.

(iii) Re: H .J. Seiler Co. 289 F.2(d) 674.

This case is also distinguishable since the case itself refer to two factors :-

(a) Firstly, the applicant for registration H J Seiler Co. was not only in the catering business but also in the business of selling food products (page 2 of the Judgment). The Opposer was in the business of sale of food product hence there was some apprehension of similarity between foods and goods in this case.

(b) Secondly the Court relied on marketing practices of today.

(iv) The 1st Defendant sited two American Judgments on American law advanced by the Plaintiffs. Viz.:-

(a)Lloyds food product Inc. Vs. Eli’s Inc 987 F

2(d) 766. This was a case of food products sold by the Appellants and restaurant services offered by the Respondents. There was evidence in the form of Affidavit recording trade practices. It was held that there was no per se rule about confusion where similar marks are used in connection with restaurants services and food products. The Court further held that a party must show something more than that similar or even identical marks are used for food products and for restaurant services.

The decision in Jacobs Vs. International Multifoods Corp. 668 F 2d 1234 (1982) was relied on.

The Court held that "The evidence in the record however only suggests a general similarity between the type of food packaged by Lloyds Foods and some of the items available on the menu in Eli’s restaurant."

It was held that this was not sufficient to establish confusion.

(b) Amstar Corporation Vs. Domino’s Pizza Inc. 615 F 2d 252 1980. United Court of Appeal, 5t Circuit.
(i) Amstar had a registered trade mark for sugar and

condiments. Amstar filed an infringement action against Domino’s Pizza Inc which ran fast food Pizza delivery outlets. (ii) The Court of Appeal reversed the District Court and held that there was no likelihood of confusion and hence no infringement. In so holding, the Court of Appeal held that "the rights granted to the owner of a registered trade mark is a monopoly and should not be extended unless the owner is clearly entitled thereto." (iii) The Court of Appeal considered the similarity of the products, identity of the retail outlets and purchasers and identity of the advertising media utililized. (iv) The Court of Appeal held that "However, we fail to see any great similarity between the respective party’s wares. About the only thing they have in common are that they are edible." The latter sentence was a quote from another judgment. This has significance in the present case, where the Plaintiff relies upon the description "Food items" to contend similarity between processed and frozen meat product sold by the plaintiff and the restaurant services and sale of sauces by the Defendants.

15. (i) The Plaintiff in arguments has relied upon a

Affidavit dated 21st July, 2005 filed on behalf of the 1st Defendant in certain proceedings filed by the 1st Defendant for rectification by deletion of the Plaintiff's said registered Trade Mark in respect of processed and food meat products.

(ii) It is clear from the Statement of Case filed by the 1st Defendant in the Rectification proceedings that these proceedings were filed to expunge from the Register of Trade Marks the Plaintiffs registration under Class 29. The application was necessitated because the Registrar cited the Plaintiff's registered trade mark "Nandus" (having specification for processed and frozen meat products) as a conflicting mark when the 1st Defendant applied for registration of its trade mark "Nandos" on 13th December 1996, also in class 29. The 1st Defendant's application was for goods in Class 29 and Plaintiff's mark was registered for goods in a narrower category but also under Class 29. It is in this context that any averments in the Affidavit must necessarily be seen.

(ii)The averments made in the rectification proceedings did not and were not intended to suggest

that use of the mark "Nando’s" particularly in the context of Restaurants and food outlets and in relation to services would have any deceptive similarity or cause confusion in the minds of the public and people in trade who may be aware of the use of the word ’Nandu’s in relation to processed and frozen meat products of the Plaintiffs.

(iii) It is also to be noted that at the time it was not possible to apply for registration of marks in respect of services. Hence the 1st Defendant’s Application could never have been in respect of restaurant services. The right to apply for service marks came only in 2002 as set out above. In fact the 1st Defendant applied for registration of the service mark "Nandos" in class 42 and this was advertised on 17th January 2005. The Plaintiff applied for the service mark â "Nandus" in Class 42 only on 13th May 2005 i.e. after the 1st Defendant’s application in Class 42.

(iv) The paragraphs relied on by the Plaintiff in the 1st Defendant’s said Affidavit dated 21st July, 2005 are paragraphs 17, 18, 21(d) (f) and (g). A reading of all these paragraphs bears out the aforesaid i.e.

that these concern an application for registration of a mark for goods.

16. In so far as pleadings are concerned in the plaint, the Plaintiff has not even pleaded that the objective tests/ factors laid down in Jellinek, J.Lyons, Daiquiri Rum, British Sugar, and Eagle Potteries are satisfied in the present case. No such factual foundation is laid n the Plaint.

. It is thus clear that the Plaintiff has not even attempted to establish that there is any similarity or association between its goods and the Defendant's services.

16. In fact no similarity or association can be found if objective tests are applied. Plaintiffs goods are not similar to or associated with the Defendants services and sale of sauces. Applying the aforesaid tests and factors, the goods of the Plaintiff (processed or frozen meat products) and the 1st Defendant's services/goods (restaurants/food outlets and sale of sauces) cannot be said to be similar or associated because :

(i) Respective uses of the goods/services

The Plaintiffs products are bought for cooking at home; the 1st Defendant’s services are those of hospitality, entertainment and social interaction apart from the specialized Afro-Portuguese Cuisine at a restaurant. The Plaintiffs advertisements are clearly for frozen goods. On the other hand the Defendants Menus are the antithesis of that. The Menus say "Freshest (never frozen)".

(ii) Respective Users of the goods/services.

The Plaintiffs products are bought by shoppers for groceries/foods to be consumed at home; the 1st Defendant’s services are enjoyed by those who wish to go outside their homes and to socialize and enjoy the ambience of a specialized restaurant (usually of a higher middle or upper income bracket),

(iii) Physical Nature of the goods/services.

The Plaintiffs products are uncooked or processed frozen meat products and they have to be fried or

cooked to be eaten; the 1" Defendant’s services are of a restaurant (hospitality, cuisine and entertainment) where customers would choose from a menu and its products are sauces (e.g. Peri-Peri sauce), The entire get up of the Defendants services indicates their Afro Portuguese background.

(iv) Trade channels through which goods/services reach the market.

The Plaintiffs products are sold at cold storages, wholesale distributors and supermarkets. They have to be fried or cooked to be eaten; the 1st Defendant’s food is served at its restaurants and is chosen from a menu (only the 1st Defendant’s sauces are sold at supermarkets). Moreover restaurants in the normal course, do not sell or serve frozen or processed meat products. The 1st defendant has stated that the sale of Sauces shall be only at the restaurant.

(v) Where goods likely to be found in supermarkets.

The Plaintiffs products would be found at cold

storages or at the frozen foods, meats counters at supermarkets; the 1st Defendant’s food would not be found at supermarkets.

(vi) Extent to which the goods/services are competitive.

The Plaintiffs frozen and processed meat products do not compete with the 1st Defendant’s restaurants/food outlets nor with the 1" Defendant’s sauces. The Plaintiffs advertisements disclose its food products are to be heated and consumed at home.)
whereas the Defendant services are the antithesis of that as a restaurant is where you go because you don’t want to eat at home.

(vii) Whether goods/services ’traded/provided by the same business.

Frozen and Processed meat products are not traded/ provided by the same business as a restaurant or a manufacturer of sauces.

It is, therefore, apparent that there is no

similarity or association between the Plaintiffs' products and the first Defendant Restaurant and sale of sauces.

17. Section 29(4) of the Trade Marks Act, 1999 reads as follows:

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use. uses in the course of trade, a mark which-

a. is identical with or similar to the registered trade mark; and

b. is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

c. the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark .

18. Thus, a registered trade mark is infringed even if the mark is used in relation to goods or services which are not similar, to those for which the trade mark is registered provided:

(i) the marks are identical or similar; and

(ii) the registered trade mark has a reputation in India;

(iii) the registered trade marks has a distinctive character or repute; and

(iv) the use of the mark without due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trade mark.

19. There is no pleading in the Plaint that would meet the requirement of Section 29 (4). The only allegation (Paragraph 27 of the Plaint) is that the Defendants started using the mark "Nandos" even though they knew that the Plaintiffs mark "Nandus" was registered and with notice of the existence of the Plaintiffs mark. This alone

cannot amount to use of the mark without due cause or use that takes unfair advantage of or is detrimental to the alleged distinctive character or repute of the Plaintiffs registered mark "Nandu's".

20. (i) The Plaintiff claims that since 1988-99 the Plaintiff has used the first trade mark on an extensive scale.

(ii)In paragraph 13 and 14 of the Plaint, the Plaintiff claims to have used the first trade mark in relation to a large turnover and to have spent a considerable amount by way of publicity expenses for popularizing the said trade marks. In fact these statements are now admittedly incorrect.

(iii)The Ist Defendant, in its Affidavit in Reply dated 1st March, 2007 states that the figures mentioned in the Plaint were incorrect and relied upon a certificate issued by the Plaintiff's Chartered accountant in the rectification proceeding between the parties. The certificate proved that the figures mentioned in the Plaint were very substantially higher than what was the actual turnover as well as the actual publicity expenses

incurred by the Plaintiff in respect of its food division. The Plaintiff, in its Affidavit in Rejoinder dated 23rd March, 2007 admitted that the figures which were quoted in the said certificate were of the ’package food business" as a separate business division and the figures shown in the Plaint are for the ’packaged food division’ as well as for the ’other poultry business’. The CA’s certificate shows only the following turnover for the years 2002-03 (Rs. 672,720), 200 -04 (Rs. 611,843) and 2004-05 (Rs. 126,954).

- the turnover for 2004-05 is Rs. 126,954/- for the entire foods division. The advertising expenses shown in the CA’s certificate are also minuscule.

(iv) There is no evidence that the trademark "Nandu’s"EURO was used by the Plaintiff for its poultry business.

(v) Moreover, the turnover and advertisement figures in the Plaint are not certified by an Auditor.

(vi)The Plaintiffs alleged reputation based on its second trade mark (for Heat n Eat packaged food other

than processed meat products) is only from 2005. Hence the turnover and advertisement figures prior to 2004 -2005 do not include sales/advertising in respect of the second trademark. The advertisements at Ex. H-l 1 to H-14 are all given in the latter half of the year 2005.

(vii) Significantly, the Plaintiff does not claim any reputation in the restaurants/food outlets/cafes/bars nor in sales of sauces, since it has not even commenced such business. It merely alleges that it "plans" to go into the restaurant business, it does not even allege such plans for sauces.

21. On the contrary (i) Defendant No. 1 forms part of a group of companies which use the trade mark ’Nando V (from 1987-88) in relation to fast food outlets and a chain of restaurants (serving chicken as well as non-chicken and vegetarian cuisine) and also to sell/market a range of food sauces of all kinds intended for use in relation to a variety of foods, dips, deserts, frozen yogurts, ice creams, marinades, salad dressings in more than 30 countries world wide. These countries include countries such as the United Kingdom, United States of America,

Australia, Canada, South Africa, Pakistan, Malaysia, Sri Lanka, Saudi Arabia and New Zealand.

(ii) The service mark and trade mark Nando’s is registered in more than 100 countries. Applications filed for registration are pending in more man 20 countries. A list of the service mark and trade mark registrations and application for "Nando’s" in various countries all over the world are produced at Exhibit ’2’ of the Affidavit in Reply of Defendant No.1.

(iii) The Defendants have opened a restaurant in the jurisdiction of this Court since December 2005 and the Defendants have publicized the restaurant from September 2005. The Defendants have produced advertisements popularizing the Defendants’ restaurant in various newspapers in Mumbai, since September 2005.

22. Nothing has been disclosed by the Plaintiff to establish that the use of the Defendants’ trade mark (Nando’s) in India, is without due cause or can be said to take unfair advantage of the distinctive

character or repute of the registered trade mark (Nandu's) of the Plaintiff. It is incredible to suggest that the 1st Defendant with its vast reputation would want to take any advantage (much less unfair advantage) of the alleged repute of the Plaintiffs registered trade mark (Processed and Frozen meat products) and for that purpose open the restaurant.

23. The learned Counsel for the Plaintiffs relies on the following judgments:

i.Bal Pharma Ltd. V. Centaur Laboratories Pvt. Ltd. (2002) 24 PTC 226.

This decision throws no light on Section 29 (4) and its ingredients. This case only holds that a Defendant who is aware of the prior registration of a mark in favor of the Plaintiff cannot complain of delay in the Plaintiff filing an action.

ii.Ayushakti Ayurved Pvt Limited. V. Hindustan Lever Ltd (2004) 28 PTC 59.

Again this case is silent on Section 29 (4) and its

ingredients. Here it was held that the Plaintiff came to Court on a false case because it did not disclose that it had taken search and had known of the Defendant’s prior registration.

24. In the present case it is to be found that the mark (Nando’s) is used in relation to goods or services (restaurants) which are not similar to those for which the trade mark (Nandu’s) is registered (processed or frozen meat products) and the registered trade mark (Nandu’s) has no distinctive reputation in India (even in respect of processed or frozen meat products) and the use of the mark (Nando’s) is not without due cause, or does not take unfair advantage or is not detrimental to the alleged distinctive character or repute of the registered trade mark (Nandu’s).

25. The Plaintiffs contend that the Defendants are passing off their goods/services as and for that of or in some way connected with the Plaintiffs’ goods i.e. processed and frozen meat products and ready to eat products and alleged services.

26. The principles relating to passing off have been

crystallized by the Hon'ble Supreme Court of India in the case of Satyam Info way Ltd. V. Sifynet Solutions Pvt.Ltd reported in AIR 2004 SC 3540. This case summarizes the well settled principle that to establish the tort of passing off, three elements are essential:

(a) The Defendant must have sold goods or offered its services in a manner which has deceived or would be likely to deceive the public into thinking that the Defendant's goods and services are of the Plaintiffs;

(b) Misrepresentation by the Defendant to the public and a likelihood of confusion in the minds of the public (i.e. actual or potential customers or users) that the goods/services offered by the Defendant are the goods/services of the Plaintiff; and

(c) the loss or likelihood of loss to the Plaintiff.

27. In Star Industrial Company Ltd. V. Yap Knee Kor (1976) RPC 256 (PC) (cited by the Plaintiff) the Privy Council (at Page 269) has defined the tort of passing off as being an invasion of a right of property in goodwill or business and that goodwill

cannot exist independently of a business.

In the present case since the Plaintiff has no business or goodwill or reputation in the business of running restaurant or selling sauces, no question of passing of by the Defendants of their restaurant business or business of sale of sauces as that of the Plaintiff can arise.

28. The 1st Defendants had already commenced advertising their restaurants in India and the 2nd Defendant had also opened a restaurant in Mumbai in December 2005. The 1st Defendant has a direct reputation in India from at least December, 2005.

29. In marketing, promoting and providing its services, the Defendants place enormous emphasis on the Afro-Portuguese heritage underlying the Nando's brand and concept, in its restaurant art work, menus, country websites, pamphlets, advertisements, etc. Photographs highlighting the Afro-Portuguese heritage in its restaurants and advertisements is produced by the 1st Defendants.

30. On the other hand the Plaintiff has no

reputation in India in restaurants/food outlets business or in the sale of sauces. Since admittedly it has not commenced either business, hence even without looking to the 1st Defendants trans border reputation, in India the 1st Defendant has a reputation in restaurants/ food outlets/ sale of sauces prior to the Plaintiff.

31. It is submitted by the defendants that the Plaintiff is not entitled to any equitable reliefs including the injunctions prayed for since the Plaintiff has approached this Hon'ble Court on a false case and with unclean hands. As observed above, the Plaintiff has falsely suggested in Paragraph 13 of the Plaint that the figures of turnover stated in Exhibit "F" of the Plaint and advertising expenditure figures referred in paragraph 14 of the Plaint read with Exhibit G of the Plaint are those pertaining to use of the first trademark viz. for sale of its frozen and processed meat products. It was only after the Defendants brought to the attention the fact that these figures included (in most part) figures for the Plaintiffs poultry business (sale of one day old chicks) that the Plaintiff admitted this position.

32. I, thus, find that the plaintiff has not made out prima facie case. Moreover the balance of convenience is also in favour of the Defendants:

(i) The Plaintiff has not even commenced any restaurant/food outset business;

(ii) The Plaintiff had knowledge of the Indian operations of the 1st Defendant since at least 2003.

(iii) The Defendants restaurant at Malad was opened and has been operating since December, 2005;

(iv) The two alleged letters relied upon by the Plaintiff to show confusion apart from being disputed, both emanate from Bangalore. There is no real evidence of confusion.

(v) On the other hand no prejudice will be caused to the Plaintiff if the injunction is refused.

. Taking overall view of the matter, in my opinion, the plaintiff is not entitled to any interim relief. The notice of motion is disposed of.

. At this stage, a request is made on behalf of the plaintiffs that the ad-interim order presently operating should continue to operate for a period of four weeks from today. The request is opposed on behalf of the defendants. According to the defendants, their restaurant in Bombay is already running with the name 'Nandos'. The second restaurant is also started but they are not using the name. It is submitted that if the ad-interim order is not continued, the defendants would be entitled to name the second restaurant and any other restaurant as 'Nandos'. It is submitted that the defendants would not claim any equity before the Appeal Court on the basis that their second and subsequent restaurants are running with the name 'Nandos'. In my opinion, in view of the statement made by the defendants and in view of the fact that I have found that the plaintiffs have not been able to make out a prima facie case, it would not be appropriate to continue the ad-interim order. One more aspect that is to be noted is that I have recorded a statement made on behalf of the defendants that they will sell only sauces and that too only from their restaurant. The request is therefore rejected.